

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## SENATE ENROLLED ACT No. 289

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AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 27-1-25-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. As used in this chapter:

(a) "Administrator", **except as provided in section 7.5 of this chapter**, means a person who collects charges or premiums from, or who adjusts or settles claims on, residents of Indiana in connection with life or health coverage or annuities, whether provided for by an insurer or a self-funded plan. The term "administrator" does not include the following persons:

- (1) An employer for its employees or for the employees of a subsidiary or affiliated corporation of the employer.
- (2) A union for its members.
- (3) An insurer, including:
  - (A) an insurer operating a health maintenance organization or a limited service health maintenance organization; and
  - (B) the sales representative of an insurer operating a health maintenance organization or a limited service health maintenance organization when that sales representative is licensed in Indiana and when it is engaged in the performance of its duties as the sales representative.
- (4) A life or health insurance agent licensed under IC 27-1-15.5

SEA 289



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whose activities are limited exclusively to the sale of insurance.

(5) A creditor for its debtors regarding insurance covering a debt between them.

(6) A trust established under 29 U.S.C. 186 and the trustees, agents, and employees acting pursuant to that trust.

(7) A trust that is exempt from taxation under Section 501(a) of the Internal Revenue Code and:

(A) the trustees and employees acting pursuant to that trust; or

(B) a custodian and the agents and employees of the custodian acting pursuant to a custodian account that meets the requirements of Section 401(f) of the Internal Revenue Code.

(8) A financial institution that is subject to supervision or examination by federal or state banking authorities.

(9) A credit card issuing company that advances for and collects premiums or charges from its credit cardholders as long as that company does not adjust or settle claims.

(10) An individual who adjusts or settles claims in the normal course of his practice or employment as an attorney at law, and who does not collect charges or premiums in connection with life or health insurance coverage or annuities.

(11) A health maintenance organization that has a certificate of authority issued under IC 27-13.

(12) A limited service health maintenance organization that has a certificate of authority issued under IC 27-13.

(b) "Certificate of registration" refers to the certificate required by section 11 of this chapter.

(c) "Commissioner" refers to the commissioner of insurance.

(d) "Financial institution" means a bank, savings association, credit union, or any other institution regulated under IC 28 or federal law.

(e) "Insurer" means a person who obtains a certificate of authority under IC 27-1-3-20.

(f) "Person" means an individual, a corporation, a partnership, a limited liability company, or an unincorporated association.

(g) "Self-funded plan" means a plan for providing benefits for life, health, or annuity coverage by a person who is not an insurer.

SECTION 2. IC 27-1-25-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 7.5. (a) As used in this section, "administrator" means a person that administers claims for health care services under an insurance policy.**

**(b) As used in this section, "health care services" has the meaning set forth in IC 27-8-11-1.**



(c) As used in this section, "insurance policy" means a policy that provides the kind or kinds of insurance described in Class 1(b) or Class 2(a) of IC 27-1-5-1 on an individual, group, franchise, or blanket basis or through a preferred provider plan (as defined in IC 27-8-11-1).

(d) As used in this section, "insured" means an individual entitled to coverage under an insurance policy.

(e) As used in this section, "recode" means to change a code used by a provider of health care services on a claim for covered services provided to an insured to a different classification code using the most current edition of either of the following:

- (1) International Classification of Diseases.
- (2) Current Procedural Terminology.

(f) An administrator may not recode a claim unless the administrator provides written notice to the insured and the provider that the administrator has recoded the claim together with:

- (1) the insurer's explanation of benefits to the insured; and
- (2) an explanation of remittance to the provider of the health care services.

(g) The notification required under subsection (f) must include at least the following:

- (1) An appropriate ANSI code or other reason code, or both, along with a specific description of the reasons for recoding the claim.
- (2) A toll free number that the provider or the insured may use to contact the administrator to obtain additional information.
- (3) The procedure that a provider may use to submit a request for a review of the initial decision to recode a claim.
- (4) A list of additional information that the provider must submit in a request for a review of the initial decision to recode a claim.

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